



**Investment Office**

P.O. Box 2749

Sacramento, CA 95812-2749

Telecommunications Device for the Deaf - (916) 795-3240

Tel: 916-795-3818

December 22, 2005

Mr. Fred Kindle

Chief Executive Officer

ABB Ltd.

Affolternstrasse 44

Zurich, CH-8050

Dear Mr. Kindle:

The CalPERS Investment Committee is required to exercise its fiduciary duty to manage and diversify the \$200 billion in assets entrusted to them. This must be done with the care, skill and diligence of a prudent person, so as to maximize investment returns and minimize the risk of loss. In light of the tragic events in Sudan, the CalPERS Investment Committee is pursuing a strategy to engage relevant parties to ascertain the risk to the CalPERS investment portfolio from its holdings in companies doing business in Sudan. As part of this engagement strategy, CalPERS staff has been working with the management of five companies which includes ABB Ltd. to better understand their business operations and the inherent risks to the company of doing business in Sudan.

A report was provided to the CalPERS Investment Committee on December 12, 2005 updating them on the engagement strategy. CalPERS Investment Committee approved a motion asking staff to approach ABB Ltd. and demand the company to cease operations in Sudan. Staff is also instructed to make another report to the Investment Committee at its February 2006 meeting.

This action should be viewed as a continuation of the original engagement strategy for our Sudan initiative. We think it is appropriate to give senior management of ABB Ltd. an opportunity to respond to the CalPERS Investment Committee. We would welcome a written response to this matter from you by January 21, 2006.

Please do not hesitate to contact me at (916) 795-3818 or Christianna Wood, Senior Investment Officer-Global Equities at (916) 795-0209, if there are questions.

Regards,

Anne Stausboll  
Interim Chief Investment Officer



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December 22, 2005

Mr. Serge Tchuruk  
Chief Executive Officer  
Alcatel SA  
54 Rue La Boétie  
Paris, France-75008

Dear Mr. Tchuruk:

The CalPERS Investment Committee is required to exercise its fiduciary duty to manage and diversify the \$200 billion in assets entrusted to them. This must be done with the care, skill and diligence of a prudent person, so as to maximize investment returns and minimize the risk of loss. In light of the tragic events in Sudan, the CalPERS Investment Committee is pursuing a strategy to engage relevant parties to ascertain the risk to the CalPERS investment portfolio from its holdings in companies doing business in Sudan. As part of this engagement strategy, CalPERS staff has been working with the management of five companies which includes Alcatel SA to better understand their business operations and the inherent risks to the company of doing business in Sudan.

A report was provided to the CalPERS Investment Committee on December 12, 2005 updating them on the engagement strategy. CalPERS Investment Committee approved a motion asking staff to approach Alcatel SA and demand the company to cease operations in Sudan. Staff is also instructed to make another report to the Investment Committee at its February 2006 meeting.

This action should be viewed as a continuation of the original engagement strategy for our Sudan initiative. We think it is appropriate to give senior management of Alcatel SA an opportunity to respond to the CalPERS Investment Committee. We would welcome a written response to this matter from you by January 21, 2006.

Please do not hesitate to contact me at (916) 795-3818 or Christianna Wood, Senior Investment Officer-Global Equities at (916) 795-0209, if there are questions.

Regards,

Anne Stausboll  
Interim Chief Investment Officer



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December 22, 2005

Mr. Jeroen van der Veer  
Chief Executive  
Royal Dutch Shell Plc  
Carel van Bylandtlaan 16  
2596 HR The Hague  
The Netherlands

Dear Mr. van der Veer:

The CalPERS Investment Committee is required to exercise its fiduciary duty to manage and diversify the \$200 billion in assets entrusted to them. This must be done with the care, skill and diligence of a prudent person, so as to maximize investment returns and minimize the risk of loss. In light of the tragic events in Sudan, the CalPERS Investment Committee is pursuing a strategy to engage relevant parties to ascertain the risk to the CalPERS investment portfolio from its holdings in companies doing business in Sudan. As part of this engagement strategy, CalPERS staff has been working with the management of five companies which includes Royal Dutch Shell Plc to better understand their business operations and the inherent risks to the company of doing business in Sudan.

A report was provided to the CalPERS Investment Committee on December 12, 2005 updating them on the engagement strategy. CalPERS Investment Committee approved a motion asking staff to approach Royal Dutch Shell Plc and ask directly if any of the fuel sold at the service stations operated in Sudan by Royal Dutch Shell, Plc. is going to the military or government of Sudan. Staff is also instructed to make another report available to the Investment Committee at its February 2006 meeting.

This action should be viewed as a continuation of the original engagement strategy for our Sudan initiative. We think it is appropriate to give senior management of Royal Dutch Shell Plc an opportunity to respond to the CalPERS Investment Committee. We would welcome a written response to this matter from you by January 21, 2006.

Please do not hesitate to contact me at (916) 795-3818 or Christianna Wood, Senior Investment Officer-Global Equities at (916) 795-0209, if there are questions.

Regards,

Anne Stausboll  
Interim Chief Investment Officer



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December 22, 2005

Mr. Klaus Kleinfeld  
Chief Executive Officer  
Siemens AG  
Wittelsbacherplatz 2  
Munich, D-80333

Dear Mr. Kleinfeld:

The CalPERS Investment Committee is required to exercise its fiduciary duty to manage and diversify the \$200 billion in assets entrusted to them. This must be done with the care, skill and diligence of a prudent person, so as to maximize investment returns and minimize the risk of loss. In light of the tragic events in Sudan, the CalPERS Investment Committee is pursuing a strategy to engage relevant parties to ascertain the risk to the CalPERS investment portfolio from its holdings in companies doing business in Sudan. As part of this engagement strategy, CalPERS staff has been working with the management of five companies which includes Siemens AG to better understand their business operations and the inherent risks to the company of doing business in Sudan.

A report was provided to the CalPERS Investment Committee on December 12, 2005 updating them on the engagement strategy. CalPERS Investment Committee approved a motion asking staff to approach Siemens AG and demand the company to cease operations in Sudan. Staff is also instructed to make another report to the Investment Committee at its February 2006 meeting.

This action should be viewed as a continuation of the original engagement strategy for our Sudan initiative. We think it is appropriate to give senior management of Siemens AG an opportunity to respond to the CalPERS Investment Committee. We would welcome a written response to this matter from you by January 21, 2006.

Please do not hesitate to contact me at (916) 795-3818 or Christianna Wood, Senior Investment Officer-Global Equities at (916) 795-0209, if there are questions.

Regards,

Anne Stausboll  
Interim Chief Investment Officer





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December 22, 2005

Mr. Thierry Desmarest  
Chief Executive Officer  
Total SA  
2 Place De La Coupole  
La Defense 6  
Paris La Defense, 92078

Dear Mr. Desmarest:

The CalPERS Investment Committee is required to exercise its fiduciary duty to manage and diversify the \$200 billion in assets entrusted to them. This must be done with the care, skill and diligence of a prudent person, so as to maximize investment returns and minimize the risk of loss. In light of the tragic events in Sudan, the CalPERS Investment Committee is pursuing a strategy to engage relevant parties to ascertain the risk to the CalPERS investment portfolio from its holdings in companies doing business in Sudan. As part of this engagement strategy, CalPERS staff has been working with the management of five companies which includes Total SA to better understand their business operations and the inherent risks to the company of doing business in Sudan.

A report was provided to the CalPERS Investment Committee on December 12, 2005 updating them on the engagement strategy. CalPERS Investment Committee approved a motion asking staff to monitor Total SA's ongoing activities in Sudan. Staff is also instructed to make another report to the Investment Committee at its February 2006 meeting.

This action should be viewed as a continuation of the original engagement strategy for our Sudan initiative. Please do not hesitate to keep us apprised of any changes from your current status of operation in Sudan

Please do not hesitate to contact me at (916) 795-3818 or Christianna Wood, Senior Investment Officer-Global Equities at (916) 795-0209, if there are questions.

Regards,

Anne Stausboll  
Interim Chief Investment Officer